

What is Exempt Employment?

The following services considered exempt from employment, so the employer will not be required to pay unemployment insurance or make health care contributions.

Exempt employment includes:

1. Services by elected officials to state and local governments, members of a legislative body or the judiciary, members of the state national guard or air national guard, and certain temporary “emergency employment” and major policy-making positions.
2. Some services for nonprofit religious, charitable and educational organizations and for hospitals or institutions of higher education.
3. Casual labor of not more than \$50.00 that is not part of the employer’s trade or business (this exclusion does not apply if the employer is a corporation).
4. Services of individuals as insurance agents or solicitors, if paid solely by commissions.
5. Services of individuals as salesmen, agents or solicitors, if paid solely by commissions and the occupation is required to be licensed by state law.
6. Services of a sole proprietor or partners or family members (parent, spouse, civil union partner, child or stepchild under the age of 18) for an individual (sole proprietorship) or a partnership.
7. Services for Limited Liability Company (LLC) or Limited Liability Partnership (LLP) by the members, managing members or managers of such organizations are exempted from coverage. In addition, the same family exemptions apply as follows: Single member/manager LLC is recognized as a proprietorship for reporting purposes. Multi-member LLC/LLP is recognized as a partnership for reporting purposes.
8. Services in railroad employment.
9. Services on foreign vessels.
10. Some services in fishing employment.
11. Services in student work experience programs – performing services as part of the school’s academic program.
12. Services by students in regular attendance at the educational institution that employs them or by spouses of students if the spouses are employed as part of a financial assistance program for the students.
13. Some services performed by students for organized summer camps.
14. Wages paid to a direct seller as defined by Act 136 of the 2006 Vermont Legislature.